

Agenda Item No. TS-169.01: Ratification of Minutes of the UAC meeting held on 10.08.2023

The minutes of the UAC meeting held on 10.08.2023 has been circulated to all the members of the UAC and also placed on the VSEZ website. No comments have been received from the members of UAC. The minutes are placed before UAC for ratification.

Proposal for change in area of SEZ units:

AGENDA Item No. TS-169.02:-Proposal of M/s. Hitachi Solutions India Pvt. Ltd, unit in M/s. DLF Info City Hyderabad Ltd, SEZ for IT/ITES at Gachibowli Village, Serilingampally Mandal, Ranga Reddy District, Telangana for surrender of partial space of their SEZ unit.

M/s. Hitachi Solutions India Pvt. Ltd was issued LOA No. 9/199/SEZ/HYD/2013 dated 18.7.2013 for setting up of a unit in an area admeasuring 18,638 sq. ft. in part of Ground Floor, Block-1 in M/s. DLF Assets Limited, Co-Developer for M/s. DLF Info City Hyderabad Ltd SEZ. The unit commenced operations on 28.10.2013 and the LOA is valid upto 27.10.2023.

The unit vide letter dated 16.8.2023 has stated that their management has decided to consolidate the business by downsizing and surrendering a partial space of 4,045 sq. ft. on part of Ground Floor in Block-1 in the above SEZ.

The unit has provided the following projections:

S. No	Description	Existing Unit	Revised projections
1	Area	18,638 sq. ft.	14,593 sq. ft.
2	Exports	185.24 Crores	123.77 Crores
3	FE outgo	4.64 Crores	1.88 Crore
4	NFE	180.60 Crores	121.89 Crores
5	Investment	3.99 Crores	3.99 Crores
6	Employment	175 Nos	133 Nos

The unit has provided NOC dated 31.7.2023 from the Co-Developer in this regard.

The proposal of the unit is placed before UAC for approval please.

AGENDA Item No. TS-169.03:-Proposal of M/s. PragmaticPlay India Pvt. Ltd, unit in M/s. DLF Info City Hyderabad Ltd, SEZ for IT/ITES at Gachibowli Village, Serilingampally Mandal, Ranga Reddy District, Telangana for relocation and expansion of their SEZ unit.

M/s. PragmaticPlay India Pvt. Ltd was issued LOA No. 9/517/SEZ/HYD/2021 dated 4.8.2021 for setting up of a unit in an area admeasuring 30,833 sq. ft. in part of 1st Floor, Block-1 in M/s. DLF Assets Limited, Co-Developer for M/s. DLF Info City Hyderabad Ltd SEZ. The unit commenced operations on 5.9.2022 and the LOA is valid upto 4.9.2027.

The unit vide letter dated 17.8.2023 has stated that they have identified potential improvement in business volume and wanted to shift their business location from 30,833 sq. ft. on part of 1st Floor, Block-1 to 41,925 sq. ft. on part of Ground Floor, Block-1 in the above SEZ.

The unit has provided the following projections:

S. No	Description	Existing Unit	Revised projections
1	Area	30,833 sq. ft.	41,925 sq. ft.
2	Exports	77.98 Crores	132.73 Crores
3	FE outgo	Nil	Nil
4	NFE	77.98 Crores	132.73 Crores
5	Investment	2.18 Crores	4.65 Crores
6	Employment	282 Nos	480 Nos

The unit has provided NOC dated 9.8.2023 from the Co-Developer in this regard.

The proposal of the unit is placed before UAC for approval please.

AGENDA Item No. TS-169.04:-Proposal of M/s. Firstsource Solutions Ltd (u-2) in M/s. BSR Builders LLP, IT/ITES SEZ at Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana for expansion of their SEZ unit.

M/s. Firstsource Solutions Ltd (u-2) was issued LOA No. KA:17:07:Pritech:4A dated 29.8.2019 for setting up of a unit in M/s. Piramal Projects Pvt. Ltd, IT/ITES SEZ at 3rd Floor, Tower 12A, Pritech II, Sarjapura Outer Ring Road Ecospace Park, Varthur Hobli, Bangalore, Karnataka. The unit commenced operations on 29.11.2019 and the LOA is valid upto 28.11.2024. **The unit was accorded approval for re-location of their unit to M/s. BSR Builders LLP, Hyderabad vide MOC letter dated 19.7.2022 and the unit is operating in an area of 72,259 sq. ft. in Block-1 in the above SEZ.**

The unit vide letter dated 18.8.2023 (Received on 22.8.2023) has stated that they would like to expand in an area of 35,700 sq. ft. on 1st Floor (6,000 sq. ft. in Bay-1, Part B, 13900 sq. ft. in Bay-3 and 15,800 sq. ft. in Bay-4) in Block-1 in the above SEZ.

The unit has provided the following Projections:

S. No	Description	Existing Unit	Revised projections
1	Area	72,259 sq. ft.	1,07,959 sq. ft.
2	Exports	448.04 Crores	592.77 Crores
3	FE outgo	Rs. 2.99 Crores	Rs. 4.44 Crores
4	NFE	445.05 Crores	588.33 Crores
5	Investment	28.08 Crores	31.63 Crores
6	Employment	1100 Nos	1450 Nos

The Developer vide letter dated 17.8.2023 has provided Letter of Intent to that effect.

The proposal of the unit is placed before UAC for approval please.

AGENDA Item No. TS-169.05:-Proposal of M/s. Schneider Electric Systems India Pvt. Ltd, unit in M/s. Sundew Properties Limited, SEZ for IT/ITES at Madhapur Village, Serilingampally Mandal, Ranga Reddy District, Telangana for expansion of their SEZ unit.

M/s. Schneider Electric Systems India Pvt. Ltd was LOA No. 9/466/SEZ/HYD/2019 dated 22.10.2019 for setting up of a unit in an area admeasuring 55,441 sq. ft. in #201, 2nd Floor in Building No. 12D, M/s. Sundew Properties Ltd, IT/ITES SEZ at Madhapur Village, Serilingampally Mandal,

Ranga Reddy District, Telangana. The unit commenced operations on 21.12.2020 and the LOA is valid upto 20.12.2025.

The unit vide letter dated 2.8.2023 has stated that to meet the increased business opportunities, they would like to expand in an area of 26,834 sq. ft. in Unit No. 802, Part of 8th Floor, Building No. 14 in the above SEZ.

The unit has provided the following projections:

S. No	Description	Existing Unit	Revised projections
1	Area	55,441 sq. ft.	82,275 sq. ft.
2	Exports	1168.72 Crores	1217.64 Crores
3	FE outgo	6.08 Crores	350.86 Crore
4	NFE	1162.64 Crores	866.78 Crores
5	Investment	10.09 Crores	14.98 Crores
6	Employment	458 Nos	680 Nos

The unit has provided Letter of Intent dated 26.7.2023 from the Developer in this regard.

The above proposal was placed in the UAC meeting held on 10.8.2023 and the Approval Committee after due deliberations did not approve the proposal as the representative of the unit could not explain their proposal clearly. Clarifications to be submitted by the unit in consultation with all the concerned Officers before placing in the next UAC.

The unit vide their letter dated 22.8.2023 has stated that during the UAC meeting, there was a clarification sought about the increased outflow of FE from Rs. 6 Crores (earlier projections) to Rs. 350 Crores (revised projections). It is to mention that at the time of submitting the application for SEZ in September, 2019, the projections of FE outflow was based on the assumptions that their service partner teams providing R&D services would continue working from their respective offices and their invoices would not be routed through the SEZ unit.

They have also stated that the above service partner payments were initially projected as an INR settlement coined as contractors cost in their project report submitted to this office while filing initial LOA application. However, the above services are obtained from Cognizant and TCS who are registered with STPI authorities (copies enclosed) and hence the settlement has been done in USD via EEFC accounts. The agreements with respective parties are attached.

As per the FAQs issued by RBI on EEFC accounts as on 5.7.2016, the payments can be made via an EEFC account by such units, extract of the same is as below:

Q7. ii) Payments received in foreign exchange by a 100 percent EOU in (a) Export Processing Zone or (b) STPI or (c) EHTP for supply of goods to similar such units or to a unit in DTA;

They have filed certain DSPFs from the above parties and some of them have been approved. However, these were from STPI, DSPF filing may not be required and hence they have not filed it henceforth. The above details of forex outflow have also been reported in the APR for the past 3 years.

The actual forex outflow towards the payments made to Cognizant and TCS vis-à-vis the projections are as follows:

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Total in INR (Crores)
Projected FE outgo as per LOA (Form F)	0.64	0.32	0.32	1.28
Projected Contractors Cost as per LOA (Form F)	142.14	155.08	169.59	466.81
Actual FE outgo towards above vendor payments	114.02	135.42	54.39	303.83
Actual NFE	48.69	97.22	49.26	195.17

With respect to the Rule 41 of SEZ Rules, 2006, since the above rule may be inferred to apply to a manufacturing unit only, the same shall not apply to their SEZ unit rendering IT/ITES services.

They have submitted the following revised projections as under:

S. No	Description	Earlier projections	Earlier Revised projections	Revised projections post expansion
1	Exports	1168.72 Crores	977.23 Crores	1234.52 Crores
2	FE outgo	6.08 Crores	612.11 Crore	766.49 Crores
3	NFE	1162.64 Crores	365.12 Crores	468.03 Crores

The proposal of the unit is once again placed before UAC for approval please.

Proposal for setting up of Food Courts by SEZ Developers/Co-Developers, in terms of Instruction No. 50 of MOC&I:

AGENDA Item No. TS-169.06:-Proposal of M/s. Phoenix Tech Zone Pvt. Limited, Developer, SEZ for IT/ITES at Sy. No. 115/35, Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana for setting up of Food Court/Cafeteria/Canteen in their SEZ.

The Developer vide letter dated 17.7.2023 has requested to approve the setting up of Food Court/Cafeteria/Canteen in their SEZ to the following vendor:

Name of the Facility	Allotment of Area (in sq. ft.) and location
Karachi Inc	2568 (Ground Floor)

The proposal of the Developer is placed before UAC, in terms of Instruction No. 50 of MOC&I, New Delhi for approval please.

AGENDA Item No. TS-169.07:-Proposal of M/s. Phoenix Tech Zone Pvt. Limited, Developer, SEZ for IT/ITES at Sy. No. 203 (P), Manikonda Village, Rajendra Nagar Mandal, Ranga Reddy District, Telangana for setting up of Cafeteria/Canteen in their SEZ.

The Developer vide letter dated 17.7.2023 has requested to approve the setting up of Cafeteria/Canteen in their SEZ to the following vendor:

Name of the Facility	Allotment of Area (in sq. ft.) and location
Scratchboards LLP	18,604 (Ground Floor)

The proposal of the Developer is placed before UAC, in terms of Instruction No. 50 of MOC&I, New Delhi for approval please.

Proposal for setting up of new SEZ units, in terms of Rule 18 (2) of SEZ Rules, 2006:

AGENDA Item No. TS-169.08: Proposal of M/s. Minfy Technologies Pvt. Ltd for setting up of a unit in M/s. Stargaze Properties Pvt. Ltd, SEZ for IT/ITES at Raviryala Village, Maheswaram Mandal, Ranga Reddy District, Telangana.

M/s. Minfy Technologies Pvt. Ltd having its registered office at 1st Floor, Sy. No. 10, Divine Babylon Building, Whitefields, Kondapur, Hyderabad – 500 084 submitted an application dated 10.8.2023 for setting up of a unit in M/s. Stargaze Properties Pvt. Ltd, SEZ for IT/ITES at Raviryala Village, Maheswaram Mandal, Ranga Reddy District, Telangana.

The following are the details of the project.

(1) Name of the Unit	M/s. Minfy Technologies Pvt. Ltd, 1 st Floor, Sy. No. 10, Divine Babylon Building, Whitefields, Kondapur, Hyderabad – 500 084
(2) Proposal is for	IT/ITES
(3) Location of the Unit	M/s. Stargaze Properties Pvt. Ltd, SEZ for IT/ITES at Raviryala Village, Maheswaram Mandal, Ranga Reddy District, Telangana
(4) Manufacturing/Trading/Services	Services
(5) Details of activities	AWD Cloud Services and Managed Services
(6) Investment	<u>Plant and Machinery</u> - Imported CIF value – Nil - Indigenous – Rs. 130 Lakhs - Total - Rs. 130 Lakhs
(7) Import requirements	Capital Goods – Nil Raw material, components, Consumables, packing Material fuel etc. for 5 years: Nil Foreign Exchange out go: Rs. 1,05,581 Lakhs (for 5 years)
(8) FOB value of Exports	Rs. 2,93,289 Lakhs
(9) Indigenous requirements	CG – Rs. 130 Lakhs
(10) Foreign Technology, if any	No
(11) NRI and FI	Foreign Holding – Rs. 1 Lakhs
(12) NFE	Rs. 1,87,708 Lakhs
(13) Requirement of Land/built up area	3,233 sq. ft, Unit No. 103 on the 1 st Floor in Building No. 26 in the above SEZ
(14) Requirement of water	18000 KL
(15) Requirement of power	16 KVA
(16) Employment	Men : 20 Women : 5 Total: 25
(17) Nature of the Entity	Private Limited company incorporated on 14.04.2014
(18) Means of Finance	Own funding
(19) Networth of the company	Rs. 15.78 Crores as on 31.3.2023

Shareholding pattern of the company as on 31.3.2023

Name of the Shareholder	Total Shares	% of shares	Amount
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Ashok Kumar Jain	200000	20	2000000
Vijay Kumar Kothari	260000	26	2600000
Vivek Jain	260000	26	2600000
Leela Devi Kothari	140000	14	1400000
Anitha Jain	70000	7	700000
Shraddha Jain	70000	7	700000
Total	1000000	100	10000000

Requirement of Space: 3,233 sq. ft, Unit No. 103 on the 1st Floor in Building No. 26 in the above SEZ

Investment: The project cost is Rs. 130Lakhs.

Marketing: The Company does not envisage entering into a marketing collaboration agreement.

From Policy angle

NFE: Positive

In case of this project, the FOB value of exports projected is Rs. 2,93,289 Lakhs and FE outgo of Rs. 1,05,581 Lakhs. Hence it has positive NFE of Rs. 1,87,708 Lakhs.

The unit has submitted the following documents, in terms of Rule 18 (2) of SEZ rules viz., (a) if the proposal meets with the positive NFE earning requirement (according to projections NFE is positive); (b) availability of space confirmed by Developer vide letter dated 9.8.2023 (c) applicant undertakes to fulfill the environmental and pollution control norms (d) applicant submits proof of residence of proprietor or partners of partnership firms or Directors of the Company (Residential proofs of all Directors submitted), (e) Income tax returns alongwith annexures of the proprietor or partners or in the case of a company audited balance sheet for the last 3 years (Audited Balance Sheets for 2019-20 to 2021-22 and Income Tax Returns of Directors for 2020-21 to 2022-23 submitted).

The proposal of the unit is placed before UAC for approval please.

AGENDA Item No. TS-169.09: Proposal of M/s. DigitalOps Technology Pvt. Ltd for setting up of a unit in M/s. Tech Mahindra Ltd, SEZ for IT/ITES at Madhapur Village, Serilingampally Mandal, Ranga Reddy District, Telangana.

M/s. DigitalOps Technology Pvt. Ltd having its registered office at Oberoi Garden Estate, Near Chandivali Studio, Wing-1, Andheri (E), Mumbai – 400 072 submitted an application dated 17.8.2023 for setting up of a unit in Tech Mahindra Ltd, SEZ for IT/ITES at Madhapur Village, Serilingampally Mandal, Ranga Reddy District, Telangana.

The following are the details of the project.

(1) Name of the Unit	M/s. DigitalOps Technology Pvt. Ltd, Oberoi Garden Estate, Near Chandivali Studio, Wing-1, Andheri (E), Mumbai – 400 072
(2) Proposal is for	IT/ITES
(3) Location of the Unit	Tech Mahindra Ltd, SEZ for IT/ITES at Madhapur Village, Serilingampally Mandal, Ranga Reddy District, Telangana
(4) Manufacturing/Trading/Services	Services
(5) Details of activities	Release of Information activities (from receiving requests, to pulling medical records, to delivery) and

	all related quality control and management overhead necessary to support business operations to its clients
(6) Investment	<u>Plant and Machinery</u> - Imported CIF value – Rs. 150 Lakhs - Indigenous – Rs. 75 Lakhs - Total - Rs. 225 Lakhs
(7) Import requirements	Capital Goods – Rs. 150 Lakhs Raw material, components, Consumables, packing Material fuel etc. for 5 years: Nil Foreign Exchange out go: Rs. 164 Lakhs (for 5 years)
(8) FOB value of Exports	Rs. 11,054 Lakhs
(9) Indigenous requirements	CG – Rs. 75 Lakhs
(10) Foreign Technology, if any	No
(11) NRI and FI	Nil
(12) NFE	Rs. 10,890 Lakhs
(13) Requirement of Land/built up area	3,672 sq. ft, on 2 nd Floor in Tower-2 in the above SEZ
(14) Requirement of water	20 KL
(15) Requirement of power	50 KVA
(16) Employment	Men : 70 Women : 20 Total: 90
(17) Nature of the Entity	Private Limited company incorporated on 16.6.2017
(18) Means of Finance	Internal accruals
(19) Networth of the company	Rs. 10,39,126/-

Shareholding pattern of the company as on 9.6.2023

Name of the Shareholder	No. of Shares held
The CJS Solutions Group LLC	9999
Anil Khatri	1
Total	10000

Requirement of Space: 3,672 sq. ft, on 2nd Floor in Tower-2 in the above SEZ

Investment: The project cost is Rs. 130 Lakhs.

Marketing: The Company does not envisage entering into a marketing collaboration agreement.

From Policy angle

NFE: Positive

In case of this project, the FOB value of exports projected is Rs. 11,054 Lakhs and FE outgo of Rs. 164 Lakhs. Hence it has positive NFE of Rs. 10,890 Lakhs.

The unit has submitted the following documents, in terms of Rule 18 (2) of SEZ rules viz., (a) if the proposal meets with the positive NFE earning requirement (according to projections NFE is positive); (b) availability of space confirmed by Developer vide letter dated 21.8.2023 (c) applicant undertakes to fulfill the environmental and pollution control norms (d) applicant submits proof of residence of proprietor or partners of partnership firms or Directors of the Company (Residential

proofs of all Directors submitted), (e) Income tax returns alongwith annexures of the proprietor or partners or in the case of a company audited balance sheet for the last 3 years (Audited Balance Sheets for 2020-21 to 2022-23 and Income Tax Returns of Directors for 2020-21 to 2022-23 submitted).

The proposal of the unit is placed before UAC for approval please.

Proposal for approval for setting up of Batching Plant by SEZ Developers/Co-Developers:

AGENDA Item No. TS-169.10: Proposal of M/s. Infosys Limited, SEZ for IT/ITES at Pocharam Village, Ghatkesar Mandal, Ranga Reddy District, Telangana for setting up of Batching Plant for construction of Software Development Block-8 in their SEZ.

The Developer vide letter dated 4.7.2023 has stated that M/s. Kalpataru Power Transmission Limited is appointed as contractor who will do civil works for SDB-8 and wishes to set up Batching Plant through sub-contractor viz., M/s. SVS Duramix at the construction site for production and supply of concrete for construction along with Weigh Bridge for measuring the same. As there is no RMC supplier near to site which can cater per day quantity and shelf life of concrete is less than 3 hours, setting up of batching plant at their construction site is inevitable. Their sub-contractor would not avail duty benefit on capital items required for setting up and there is no material movement to outside the campus and entire finished product generated from batching plant will be used well within their zone.

Brief details are as under:

- a) Estimated Project duration: 18 months
- b) Batching plant capacity: 550 CUM per day
- c) Approx total quantity of concrete to produce: 82,000 CUM
- d) Estimated Setup Area: 1200 sqm

The Specified Officer vide email dated 21.8.2023 has stated that permission was granted to the Developer for construction of Software Development Block (SDB) 8 on 12.7.2023. As part of expansion of their unit-7, the Developer entered into an EPC contract with M/s. Kalpataru Project International Limited (Contractor). The Contractor will procure Ready Mix Concrete (RMC) from M/s. Sree Venkat Sai Duramix Pvt. Ltd (SVSDPL).

As a part of the supply of RMC, the Contractor will procure Cement & Slag (GGBS) and supply the same at free of cost to SVSDPL. Further, SVSDPL will procure capital goods and raw material namely Mechanized sand and will process the materials by installing RMC Plant within the premises of their SEZ. SVSDPL incur cost of setting up batching plant in the premises of the SEZ Zone and will charge on the basis of per CUM delivered materials with applicable Taxes.

In this connection, the SO visited the location of the construction site of the SEZ and observed that Batching Plant is already installed and SVSDPL is supplying the RMC to the Contractor. The Contractor informed that the Batching Plant is running on the trail basis and the material is used in the construction site.

As per the contract dated 21stJuly, 2023 between Infosys Limited and M/s. Kalpataru Project International Limited, SVSDPL is named as Sub Contractor. As per provision to Rule 10 of SEZ Rules to avail exemptions, the sub contractor” shall be appointed by the SEZ Developer. Where as in the instant case the SVSDPL is not appointed as sub contractor by the Developer.Hence, SVSDPL is not

entitled for exemptions as per SEZ Act. However, Infosys vide letter dt.09.08.2023 has informed that SVSDPL will pay the applicable Taxes.

The proposal of the Developer is placed before UAC, in terms of Rule 41(3) of SEZ Rules, 2006 for approval please.

Proposal of Units for setting up of Solar Panels in their SEZ units:

AGENDA Item No. TS-169.11: Proposal of M/s. Safran Aircraft Engines Hyderabad Pvt. Ltd, unit in M/s. GMR Hyderabad Aviation SEZ Ltd, SEZ in an Existing Airport at Mamidipalli Village, Shamshabad Mandal, Ranga Reddy District, Telangana for setting up of Solar Panels in their SEZ unit.

M/s. Safran Aircraft Engines Hyderabad Pvt. Ltd was issued LOA No. 9/430/SEZ/HYD/2019 dated 29.3.2019 for setting up of a unit for manufacture and services in an area of 10.70 Acres in M/s. GMR Hyderabad Aviation SEZ Ltd, SEZ in an Existing Airport at Mamidipalli Village, Shamshabad Mandal, Ranga Reddy District, Telangana. The unit commenced operations on 16.3.2020 and the LOA is valid upto 15.3.2025.

The unit vide letter dated 21.8.2023 has stated that they propose to move for Low Carbon emission Drive, by the implementation of “Solar Panels” with a capacity of 478 KWH as a primary source of Energy for unit operations at the car/bike parking area. The power generated is only for captive utilization. They have given the contract for Solar panels installation to M/s. Enerture Solar Two Pvt. Ltd on their cost, and Safran will pay the charges on the utilization of the power at actual (Purchasing Agreement attached) and they declare that either vendor or they will not take any IGST exemptions on procurement of materials or service on the installation of Solar Power Plant.

The unit has submitted NOC vide letter dated 19.12.2022 from the Developer in this regard.

In terms of MOC, New Delhi letter No. K-43014(16)/8/2020-SEZ dated 7.6.2021 which is in continuation to their earlier letter dated 16.2.2016, the following proviso under para (iii) of the ibid guidelines is appended:

“Provided that with the approval of the Unit Approval Committee, a Unit may set up a non-conventional power plant within the premises of the Unit for the exclusive purpose of captive consumption subject to the condition that no tax/duty benefits stipulated under Section 26 of the SEZ Act, 2005 shall be available for setting up as well as operations and maintenance of such power plant. Such captive generating power plants shall comply with all rules, regulations and technical standards framed under the Electricity Act, 2003 as amended from time to time. Captive generative power plants with capacity 500 KW and above has to be re-registered with Central Electricity Authority”.

The Specified Officer has recommended the proposal.

The proposal of the unit is placed before UAC, in terms of DOC letter dated 7.6.2021 for approval please.
